

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



August 31, 2001

ALL-COUNTY LETTER NO. 01-63

TO: ALL COUNTY WELFARE DIRECTORS
ALL IHSS PROGRAM MANAGERS
ALL COUNTY WELFARE FISCAL OFFICERS

Reason For This Transmittal

- ☒ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by one or More Counties
- ☐ Initiated by CDSS

SUBJECT: MAXIMUM ALLOWABLE COSTS OF SERVICE THAT AFFECT
IN-HOME SUPPORTIVE SERVICES THIRD PARTY CONTRACTS

REFERENCE: ACL NOS. 94-37, 00-75

The purpose of this All-County Letter is to advise counties of recent changes affecting the In-Home Supportive Services (IHSS) Maximum Allowable Contract Rate (MACR). The Fiscal Year (FY) 2001/02 Budget Act, Senate Bill 739 (Chapter 106, Statutes of 2001) provided State funding to increase the MACR by an additional 5.31 percent for counties currently utilizing the contract mode as one of the modes of service delivery for recipients of the (IHSS) program.

The new MACR is effective July 1, 2001, for each county listed below. The increase in the MACR establishes a new maximum hourly contract rate in which the State will share in the cost. The new MACRs do not create new county financial obligations and should not be construed to be a standard or required rate of payment for IHSS contracts. Affected counties can award IHSS contracts at a rate lower than the MACR rate. The California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) Section 10-205.6 requires counties to encourage maximum competition among bidders and to secure the lowest price possible.

Counties that agree to pay a rate higher than the MACR are reminded that they must pay 100 percent of the nonfederal cost for the portion above the MACR in accordance with Welfare and Institutions Code Section 12303 (a) and CDSS MPP Section 10-205.1. Title XIX federal financial participation is available in contract rates, subject to California Department of Health Services approval.

The FY 2001/02 MACR eligible for State financial participation is as follows:

<u>County</u>	<u>Maximum Allowable Contract Rate</u>
Butte	\$12.21
Nevada	\$12.88
Riverside	\$14.75
San Diego	\$14.31
San Francisco	\$15.95
San Joaquin	\$13.05
San Mateo	\$15.20
Santa Barbara	\$15.12
Santa Clara	\$16.28
Santa Cruz	\$16.34
Tehama	\$13.57
Ventura	\$13.27

If you have questions or concerns, you may contact your county's Adult Programs Operations and Technical Assistance Analyst at (916) 229-4000.

Sincerely,

***Original Document Signed By
Donna L. Mandelstam on 8/31/01***

DONNA L. MANDELSTAM
Deputy Director
Disability and Adult Programs Division